Point Foundation

Minutes of the Board of Directors
Whole Earth Teleconference Board Meeting, Session Two
Tuesday, July 2, 2002

Present: Danica Remy, Diana Hadley, Ron Pernick, Bob Hillman, Stephanie Guyer-Stevens, David Bolling (secy.)

Called to order at 10:11 a.m. by Danica Remy via telephone conference call.

Buddy List Discussion

Danica asked Stephanie to take lead with indivdual board members to help them compile **lists of five people or key organizations they will work with to fund raise.** This list of "buddies" will be compiled by each board member, with help from Stephanie where additional names/organizations are needed.

Stephanie asked that the process begin with each board member sending their list to her.

ACTION: Board members to submit buddy lists to Stephanie. Stephanie to follow-up with each board member to ensure follow-through.

Board Expectations and Accountability

Danica raised the issue of identifying expectations for board performance and means of holding board members accountable. Diana described board contract used by another BOD she serves on. David said he also has a board contract, as well as a board survey.

ACTION: Diana will circulate the board contract she has. David will do same for a contract and a board survey he has used on other boards.

New York City Party

Stephanie asked for any last-minute names of people to invite to the NYC party. Diana said Kenny Ausubel had suggested using the Bioneers NYC list. Stephanie will follow up with Kenny.

ACTION: Stephanie contacted Kenny, who turned her over to Nina, who wasn't quite sure what Kenny was referring to but gave Stephanie a couple of names to invite.

Ron asked about the database being used to manage donor names. Stephanie explained we are using Filemaker but that she has been advised to convert the database to Excel.

Ron said it would be useful for board members to periodically review the entire database. He said he has some ideas for other database options, including one online possibility.

ACTION: Stephanie will see that donor database is available to board members. Ron will follow up on exploring database options.

Diana asked if any committed donors have been identified to lead off the NYC event. Stephanie explained no one has so far. Diana suggested that the board commit to contributing some amount that could be announced at party. Stephanie felt the amount might not be big enough to impress the attendees if identified as a board gift. Diana said it wouldn't have to be identified as being from the board. David said it would be very useful to have a physical check on hand to show the crowd and initiate the pledges. Diana said there should be envelopes and pledge forms on hand.

Stephanie suggested Diana call Crimson Crabtree, who will be at party, to urge her to make initial donation. Danica said she will call Napier Collins to suggest the same.

ACTION: Diana will call Crimson Crabtree to solicit opening donation. Danica will call Napier Collins to do same. Board will discuss ways to produce some initiating donation to get process moving.

Other Development Suggestions

Danica suggested contact George Soros's Open Society Institute for a grant.

ACTION: David will explore Open Society Institute.

Stephanie left the conversation at this point.

Cash Flow Report

David Reported cash on hand as of 7/2/02 is $10,342, plus $10,000 from Richard Rockefeller which will be remitted to Bob Hillman. Payables are $10,559, not counting Bob Hillman. The rent has been paid. Mike subsequently reported that contributor expenses for the summer issue will be about $2500. Those typically are paid within a week of publication. **In summary, we are at present, on paper, in deficit something over $2500.**

Future funding prospects: Because this issue was delayed for more than two weeks, the first advance on newsstand sales won't be received until mid-August. That should be about $8000. Meanwhile, it appears the $5000 grant from Bioneers will be available in about two weeks.

It is not certain, therefore, that the July 15 payroll will be met. That payroll may have to be deferred for a week or more. If the New York event is immediately successful (for which there is no guarantee) the July 30 payroll will be covered. Fund raising efforts will continue non-stop as we work toward the immediate goal of $150,000.

In response to this situation, David recommended that Point approve deficit spending, in effect incurring a debt. Danica recommended that a debt limit be set of $30,000. She assured board members that the organization's assets would be valued far in excess of that amount.

Ron requested a report on the level of D&O insurance coverage. David said he would provide it.

ACTION: David reviewed files. D&O insurance coverage is $1,000,000. Policy renews in September.

MOTION: To approve an organizational debt limit of $30,000 to bridge cash flow shortfalls. Moved by Danica, second by Diana. All approved.

Other development discussion

Danica suggested sending circulation building grant proposal to Soros Foundation. Also suggested Merkle Foundation.

Report on the Idealized Budget

The idealized budget represents the expense and income projections for building Whole Earth magazine to a self-sustaining level. It assumes increases in staffing, editorial and production expenses and office expenses/rent. The preliminary figures, shown below, represent the build out; short of a major capital infusion, such expenses would not be assumed all at once.

David gave a thumbnail report with promise to provide a fleshed out version for board review and comment as soon as it is complete. David is targeting completion for approximately 7/11/02.

Meanwhile, the thumbnail picture is as follows:
Additional staffing: Editor, Circulation/Business Manager, Half-time production manager, editorial staffer. Estimated annual cost: $160,000

Magazine redesign, plus logos, letterhead, etc.: $15,000

Editorial Fee and photo increases (to pay for world class content): $60,000
Editorial Travel: $5000
Office rent increase: $18,000

ACTION: David will deliver draft of idealized budget to board by 7/11/02

Build the Board Discussion

Danica addressed the need to build a non-fiduciary advisory board as a means for evaluating and grooming candidates for the board of directors, which desperately needs to be enlarged. Discussion ensued about strategy for nominating names to advisory board, and for creating 2 categories of advisory board membership – honorary members who would essentially provide famous name recognition, and active members.

The ideal size for an advisory board was discussed and consensus suggested a maximum of 15-20 members, including honorary members. It was agreed that the editorial board would remain a totally separate body.

During the discussion it was a agreed there is a need for a salutation letter to be sent to prospective AB candidates.

ACTION: Diana will develop draft language for a salutation letter and circulate to board.

Further discussion led to the agreement that a nominating process would be arrived at through further board discussion and that names should be proposed by board and staff members while a vetting process is determined.

MOTION: To create a non-trustee (non-fiduciary) Advisor Board to the Point Foundation. Moved by Diana, second by Ron. All approved.

Action Taken in Executive Session as Reported to David by Danica

The board discussed the need for a bonus incentive for the Development Director and moved that David should prepare such a recommendation.

MOTION: That David prepare a bonus incentive plan for the Development Director. Moved by Ron, second by Bob. All approved.

ACTION: David will prepare a draft plan for board review.

The board asked that the budget forecast include a MBO (managegment by objective) revenue growth pool for distribution to staff, with a target of 10 to 15 percent of revenue growth allocated to such a bonus pool.

MOTION: To create a bonus pool for staff allocating 10 to 15 percent of revenue growth. Not clear who moved and seconded. All approved.

ACTION: David will prepare a draft proposal for an allocation plan for board review.

The board discussed raising the publisher's salary from $48,000 to $52,500 effective immediately.

MOTION: Raise the publisher's salary to $52,500 as of July 15, 2002. Moved Diana, second Danica. All approved.

The board continued discussion of the proposed 2002 Budget and voted to approve the budget contingent upon addition of appropriate expenses for attorney's fees and marketing expenses.

MOTION: To approve 2002 operating budget, contingent upon inclusion of expenses for attorney fees and marketing expenses. Moved Dania, second Diana. All approved.

ACTION: David will add the additional expense figures and circulate the final budget to board.

The board discussed the need for more regular reporting on organization news and directed that a publisher's report be prepared for board review by the 30th of each month.

MOTION: That a publisher's report be prepared for the board by the 30th of each month. Not clear who moved and seconded. All approved.

The final motion of the board was to set the next board meeting for Wednesday, August 7 at 9:00 a.m.

MOTION: That the next board meeting be held via conference call at 9:00 a.m. on Wednesday, August 7, 2002. All approved.

Prepared by David Bolling